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SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS 10/17/08

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Articles:

- 1) U.S. Ambassador to Japan Schieffer explains to families of abductees background of U.S. delisting of North Korea

MAINICHI (Page 26) (Full)  
October 17, 2008

Chairman of the Association of Families of Victims of North Korean Abductions Shigeo Iizuka and former chairman Shigeru Yokota met yesterday with U.S. Ambassador to Japan Thomas Schieffer at his official residence in Minato-ku, Tokyo. The Ambassador explained the background of the decision to remove North Korea from the list of state sponsors of terrorism. He said, "The United States supports the resolution of the abduction issue." In the 25-minute meeting, the Ambassador sought the understanding of the abductees' families on the delisting of North Korea, stating, "It is my personal opinion, but if the Six-Party Talks were to fail, resolution of the abduction issue would become difficult."

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- 2) U.S. nuclear-powered submarine Ohio makes first port call in Japan at Yokosuka base

TOKYO SHIMBUN (Page 27) (Full)  
October 17, 2008

The U.S. Navy's nuclear-powered submarine Ohio made yesterday a port call at the U.S. naval base in Yokosuka, Kanagawa Prefecture, mainly to allow its 155 crewmembers to rest. This is the first time for a submarine that can carry 150 cruise missiles and can dispatch special-operations troops to enter a Japanese port.

The 18,750-ton Ohio was commissioned in 1981. It was re-commissioned in 2006 after undergoing remodeling due to the post-Cold War nuclear reduction and the U.S. military's strategic shift for the war on terror.

It is difficult to distinguish the Ohio, which used to be a ballistic missile submarine for launching nuclear missiles, from a vessel carrying nuclear weapons. For this reason, there is concern that it will irritate neighboring countries.

- 3) MSDF detected two Chinese submarines in East China Sea that aimed to threaten U.S. aircraft carrier

SANKEI (Top play) (Excerpts)  
October 17, 2008

It became clear yesterday that the Self-Defense Forces had detected earlier this month two Chinese submarines that were deployed in the East China Sea. One of them is believed to be the same model as the Han-class nuclear-powered attack submarine that intruded into Japanese waters in November 2004. Around that time (early October), the U.S. nuclear-powered aircraft carrier George Washington (GW), which has just been deployed to the U.S. naval base in Yokosuka, Kanagawa Prefecture, was cruising in the surrounding ocean area toward South Korea. The Maritime Self-Defense Force has strengthened surveillance activities involving P-3C patrol planes in the judgment that the Chinese submarines tried to collect GW data and threaten it.

According to the Defense Ministry, the other vessel besides the Han-class submarine was a conventional submarine. The SDF detected the two submarines outside Japanese waters. They did not enter

Japanese waters.

The GW was deployed to the Yokosuka base on Sept. 25 as the replacement of the conventional aircraft carrier Kitty Hawk. The GW left the Yokosuka base on Oct. 1 to attend the South Korean Navy memorial event that was held off Busan on Oct. 7.

China, which is building new models as part of its efforts to beef up its submarine capability, has been increasing the activities of its submarines. There have been many cases in which Chinese submarines conducted activities in the East China Sea in conjunction with U.S. naval vessels. On Sept. 14, an MSDF Aegis-equipped vessel spotted something like a submarine periscope of an unidentified foreign submarine in waters off Kochi Prefecture. Although there is a possibility that the MSDF vessel mistook a whale for a submarine periscope, it could have been a submarine from China or Russia.

The two Chinese submarines detected earlier this month seem to have

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been collecting data on the GW, including sonic data, having waited for it, based on the projection that the U.S. vessel would cruise from Yokosuka to Pusan.

4) Aso: Size of U.S. capital injection "insufficient;" Remark criticized as giving image of lack of unity among G-8 countries

MAINICHI (Page 2) (Full)  
October 17, 2008

Seeing the U.S. stock market reeling again, Prime Minister Taro Aso said in a meeting of the House of Councillors Budget Committee yesterday: "Since it (the size of public funds prepared by the U.S. to inject into the market) was insufficient, market players are dumping stocks." He replied to a question by Kohei Otsuka (Democratic Party of Japan).

The U.S. has decided to pump 250 billion dollars in public funds into leading banks. Upon saying: "I think the measure has been appreciated to some extent," Aso indicated that the scale of capital to be injected was too small, remarking: "I understand that since it is insufficient, market players are responding this way." The prime minister's remark seems to have reflected his irritation at the steep fall in Japanese stock prices. But the Group of Eight (G-8) countries, including Japan, the U.S., and European countries, jointly issued on Oct. 16 an emergency statement designed to contain the ongoing global financial crisis in an effort to reiterate the need for international cooperation. In reaction to the remark made at such a time, a U.S. investment company member grumbled: "That is a gaffe that gives the image of a lack of unity among the G-8 countries."

5) Aso futilely planned emergency Narita G-8 summit

MAINICHI (Page 5) (Full)  
October 17, 2008

Prime Minister Taro Aso revealed in yesterday's Upper House Budget Committee meeting that he had considered at one point hosting an emergency G-8 summit at Narita to discuss a response to the financial crisis but gave it up. He explained that coordination with the countries concerned failed, saying: "We began (coordination), thinking it was pragmatic to gather together at Narita for only four hours. But some countries did not buy that idea." Aso was responding to a question from Hiroyuki Arai of the Reform Club.

6) Aso issues instruction to draw up more economic measures later this month

ASAHI (Page 1) (Full)  
October 17, 2008

In response to the U.S.-triggered global financial crisis, Prime Minister Aso called a meeting of members of the government and the ruling camp at his official residence last evening. He instructed the participants to hammer out a package of additional economic

measures focusing on people's livelihoods. Expressing his desire to announce the specific amount and financial resources for fixed-amount tax cuts, he instructed them to complete the package in the week starting on the 27th. Regarding financial resources, Aso said that the government will not depend on deficit-covering bonds as much as possible.

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Aso cited as the areas that should be addressed on a priority basis (1) people's livelihoods; (2) boosting the strength of the financial sector and small businesses; and (3) protecting local economies. He also instructed them to promptly map out a midterm plan on social security and ways of funding it, including drastic tax reform to secure necessary funds to raise the ratio of pension premium payments to be shouldered by the government under the basic pension program to half. He thus indicated his consideration to both economic expansion and fiscal discipline.

State Minister in Charge of Economic and Fiscal Policy Yosano will take the lead in drawing up the plan. Following the prime minister's instruction, studies have already begun in the ruling camp on fixed-amount income and residential tax cuts; policy tax cuts, such as improvement in the securities preferential tax system and capital investment tax cuts; lowering expressway tolls; and encouraging financial institutions to extend loans to small businesses.

7) Foreign minister to take part in Middle Eastern cabinet-level meeting

ASAHI (Page 4) (Full)  
October 17, 2008

Foreign Minister Nakasone will leave for Abu Dhabi, the capital of the UAE, to attend a cabinet-level meeting of the Forum for the Future designed for cooperation between countries in the Middle East and North Africa and the G-8 for economic development and reform. Japan, the G-8 chairman, and the UAE will jointly host the meeting this year.

This forum was launched in response to the Greater Middle East Initiative, which the U.S. proposed and was agreed upon at the G-8 in 2004. Giving consideration to charges that the Forum is intended to "impose democracy," it takes the form of the G-8 assisting those countries' voluntary reform efforts on the political, economic and social fronts. Non-governmental organizations will also take part in the meeting.

8) Japan pitted against Iran for a United Nations Security Council chair with election for a non-permanent slot coming on Oct. 17

NIKKEI (Page 8) (Excerpt)  
October 17, 2008

The election of non-permanent members of the United Nations Security Council by the UN General Assembly will take place on Oct. 17. Japan is a candidate for the Asia seat, but it is pitted against Iran, a country that has been hit with a sanction resolution by the UNSC for its nuclear issue. Japan, which wants to become a permanent Council member in the future, is bent winning this seat, with a diplomatic source confiding, "Victory is assured. It will be decided in the first round." Although Japan is favored to win, since under the voting method used, the ballots are not signed, it will likely be a hold-your-breathe election to the end.

9) Aso to decide whether to dissolve Lower House this month while watching economic conditions

ASAHI (Page 1) (Excerpts)  
October 17, 2008

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Following the passage of a supplementary budget for fiscal 2008 that

includes measures to buoy the economy, Prime Minister Aso started considering yesterday whether to dissolve the House of Representatives in November. He will come up with a final decision by the end of this month upon carefully looking at movements of the 225-issue Nikkei Stock Average, which recorded the second steepest ever fall yesterday, global financial conditions, and election predictions.

Aso told reporters at his official residence last night: "The current top priority task is to boost the economy. There also is no option of sidestepping discussion of terrorism (the bill to extend the law authorizing Japan's Indian Ocean refueling mission)."

In a House of Councillors plenary session yesterday, the extra budget was enacted by a majority from the Liberal Democratic Party (LDP), the New Komeito, the main opposition Democratic Party of Japan (DPJ), and other smaller parties. The session also passed a bill designed to cover gasoline tax revenue shortfalls in local governments. Aso then instructed the government and the ruling coalition to lay out more economic measures. The package is likely to be completed in the week starting on the 27th.

The DPJ agreed to take an early vote on the bill to extend the Maritime Self-Defense Force's refueling mission in the Indian Ocean by another year, though it is against the bill, so the measure is now likely to clear the Diet by a two-thirds lower chamber overriding vote by Oct. 30. The stage for Lower House dissolution will thus be set by the end of this month.

Many in the ruling camp, focusing on the importance of economic measures, insist that the government should not allow the election to slip into December so that the compilation of the budget later the year will not be impeded. In order to set the date of the election at sometime in mid-November, it will be necessary to dissolve the Lower House within this month.

Aso is considering the possibility of delivering a street-corner speech in Akihabara, Tokyo, on Oct. 26. Aso assumed the LDP presidency in his fourth try. He was able to make himself better known in this district, so he is expected to pick it as the place for his first street-corner speech as prime minister in campaigning for the next general election.

On the diplomatic front, Aso is scheduled to attend the Asia-Europe Meeting (ASEM) in Beijing on Oct. 24-25. Arrangements are being made for his meetings with Chinese and South Korean leaders on the sidelines of the ASEM. He has also a desire to underscore cooperation with the international community if an emergency Group of Eight (G-8) summit is held to work out measures to contain the global financial crisis

10) Growing possibility of Lower House election on Nov. 30; Prime Minister Aso to make decision in late October

TOKYO SHIMBUN (Top play) (Full)  
October 17, 2008

With the passage of the fiscal 2008 supplementary budget that will allow the implementation of the government's economic stimulus package, Prime Minister Taro Aso yesterday started considering in

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earnest the timing of the dissolution of the House of Representatives that would be followed by a snap general election. There is a growing view in the government and ruling parties that after coming up with a second additional pump-priming package late this month, the Lower House should be dissolved, and that the official campaign should be kicked off on Nov 18 for a Nov. 30 snap election. Aso will attend the summit of the Asia-Europe Meeting to be held on Oct. 24-25 in Beijing. After that, he apparently will make a final decision on the timing of Lower House dissolution, after gauging the economic situation and how the Democratic Party of Japan (DPJ), the largest opposition party, will respond.

Supplementary budget enacted

The outlook is that the appointment of a Bank of Japan deputy governor, whose name the government presented to the Diet on Oct. 15, will be approved by the both chambers of the Diet on the 24. A bill amending the new Antiterrorism Special Measures Law that allows the Maritime Self-Defense Force to continue its refueling mission in the Indian Ocean is also expected to be enacted late this month.

The Lower House's national basic policy committee yesterday discussed a possible party-heads debate between the prime minister and DPJ President Ichiro Ozawa. Although the ruling camp proposed holding a debate on Oct. 29, the DPJ placed on hold its decision. As a result, the two sides agreed to continue consultations.

The prevailing view in the ruling coalition is that an environment for Lower House dissolution will be prepared if contentious issues between it and the DPJ are clarified in a party-heads debate. This would come after the compilation of a second economic stimulus package, following the passage of the extra budget and the Indian Ocean refueling bill. If the prime minister does not dissolve the Lower House in late October, the event would be pushed back to the end of the year or early next year in a bid to avoid affecting the compilation of the fiscal 2009 budget. The fiscal 2008 extra budget worth 1.8081 trillion yen was enacted as it was adopted by a majority of lawmakers from the ruling parties, the DPJ, the People's New Party, the Reform Club, and others at a plenary session last evening of the House of Councillors.

11) Nakayama retracts decision not to run in Lower House election

TOKYO SHIMBUN (Page 2) (Full)  
October 17, 2008

It was learned yesterday that House of Representatives member Nariaki Nakayama had conveyed his intention to run in the next Lower House election to seek a seventh term, withdrawing his earlier remarks that he would not run for the race. He informed a senior official of the Liberal Democratic Party's (LDP) Miyazaki prefectural chapter. Nakayama resigned as minister of land, infrastructure and transport to take responsibility for his criticism of the Japan Teachers' Union, as well as for his other controversial remarks.

However, strong criticism is being raised from within the Miyazaki chapter, which has pushed ahead with the work of selecting another candidate by advertising. Nakayama's move will likely become a new source of confusion.

According to the senior Miyazaki chapter official, Nakayama said on

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the phone: "I have made up my mind as I was told by persons close to me that I should run in the election. I will ask party headquarters to endorse me. I will meet with party officials on the 17th."

12) Multilevel marketing company purchased fund-raising party tickets for State Minister for Consumer Affairs Noda

TOKYO SHIMBUN (Page 1) (Full)  
October 17, 2008

State Minister for Consumer Affairs Seiko Noda on October 16 made a Diet question that can be taken as defending multilevel marketing. In this connection, she told the Kantei that though she did not receive any political donations or speech fees, she had a multilevel marketing company buy fund-raising party tickets three times worth 140,000 since 2004.

Regarding the company that bought the party tickets, Noda insisted, "It is a company that is operating legally." She intends to seek understanding regarding the matter, revealing the facts at a press conference after a cabinet meeting to be held on the morning of the 17th.

In the meantime, she admitted at the Upper House Budget Committee on the 16th that she met with the trader in question before raising that question in the Diet in order to talk about the Diet

questioning. Regarding this, she said, "I asked what business they are actually engaging in, as I was supposed to ask that question." She stressed that she was not asked about anything related to the specifics of the question.

13) Senior vice internal affairs minister Kurata allegedly asked for issuance of visa for Filipino women who worked as bar hostess; He denies involvement

ASAHI (Top Play) (Excerpts)  
October 17, 2008

The Shizuoka Prefectural Police in September raided an incorporated nonprofit organization (NPO) on suspicion of forcing Filipino women, who allegedly came to Japan to perform in charity concerts but without an entertaining visa, to work as hostesses in Philippine bars. Concerning applications for short-stay visas for these women submitted by the NPO, several sources of the Justice Ministry and the Foreign Ministry, which are responsible for immigration control, charged in their replies to questions asked by Asahi Shimbun that Senior Vice Internal Affairs Minister Kurata (LDP member, elected from the Tokai proportional representation bloc), a Lower House member, asked them to expedite the issuance of visas to those women. The effective operator of this NPO is a former government-paid secretary to Kurata. This secretary also allegedly asked the two ministries to issue visas to them.

In response, Kurata said, "I have never made such a request. I do not know why my name was mentioned. It is probably my former secretary who mentioned my name." The former secretary explained, "Mr. Kurata's supporter made that request. I was told by Mr. Kurata to see what we could do. I worked out an arrangement that does not infringe on law in consultation with relevant government offices. The incident this time occurred, because the bars in question did not observe the arrangement I had prepared."

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Philippine pubs in Japan have come under fire as a hotbed for human trafficking. The U.S. Department of State, for instance, placed Japan on the Tier 2 Watch List. In response, the Justice Ministry further tightened qualification for the issuance of an entertaining visa. As a result, the issuance of entertaining visas to Filipinos sharply dropped from 80,000 recorded in 2004 to the 5,000 range in 2007.

However, there were many cases in which Filipino women came to Japan on a short-stay visa in the name of taking part in charity concerts. Determining that there is a possibility of irregularities about this kind of entry into Japan, police and immigration authorities made secret inquiries throughout the nation. In September this year, the Shizuoka Prefectural Police raided the "Future, Charity Planning Committee," an organization that dispatched Filipino women to five pubs and "Mirai," an NPO -- both are located in Shizuoka Prefecture. They arrested the owner (47) of the Philippine pub "Class-Metz," which has deep connections with both organizations, on suspicion of violating the Entertainment Business Control Law (operation without license) and the Immigration Control and Refugee Recognition Law (encouraging illegal work).

According to the investigation conducted thus far, the "Future, Charity Planning Committee" started applying for short-stay visas for many women from around the spring of 2007 for charity shows to support the reconstruction of Leyte Island, which was hit by landslides. Those women appeared in concerts hosted by the Philippine Embassy. In the meantime, they were also dispatched to five Philippine pubs in Hamamatsu City.

According to the allegations given by sources familiar with the matter, Kurata worked on Foreign Ministry and Immigration authorities several times, saying, "Please see to the charity concerts." According to sources related to the NPO, Kurata's former government-paid secretary had been involved in the organization since its foundation and served as a point of contact from related government agencies to the NPO. He also allegedly made frequent inquiries about the issuance of visas.

Kurata is an attorney. He was first elected in the 2000 Lower House election. He is now a third-term Lower House member. H once served as director of the LDP Judicial Affairs Division.

SCHIEFFER